



PROCEEDINGS OF THE TWELFTH ANNUAL ACQUISITION RESEARCH SYMPOSIUM

THURSDAY SESSIONS VOLUME II

Evaluating Intellectual Property and Data Rights in Competition Source Selections—Leveraging the “Assertions Process” to a New Level to Foster Open Systems Architecture

Eugene J. Pickarz, Jr., National Reconnaissance Office

Published April 30, 2015

Disclaimer: The views represented in this report are those of the author and do not reflect the official policy position of the Navy, the Department of Defense, or the federal government.



Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 30 APR 2015		2. REPORT TYPE		3. DATES COVERED 00-00-2015 to 00-00-2015	
4. TITLE AND SUBTITLE Evaluating Intellectual Property and Data Rights in Competition Source Selections - Leveraging the 'Assertions Process' to a New Level to Foster Open Systems Architecture				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) National Reconnaissance Office, 14675 Lee Road, Chantilly, VA, 20151-1715				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT Competition is repeatedly cited in the acquisition world as a powerful tool, if not the most powerful tool, to ensure taxpayers get the most value for their tax dollars. A viable competition package (Request for Proposal [RFP], Statement of Work [SOW], Performance Work Statement [PWS], etc.) is not possible without having adequate technical data computer software, and computer software documentation to provide to potential competitors to enable them to develop or evolve a system or support the solution needed. This paper first presents the acquisition professional with the knowledge to more effectively evaluate intellectual property in source selections to ensure the Government gets the intellectual property rights it needs to procure, support, and sustain systems the warfighter and others need; second, provides a structure and process to get these ???rights??? identified on contract while providing transparency for them throughout the period of performance; and, finally presents a different way to look at the ???necessary??? rights when viewed from an open system architecture perspective.					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 24	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

The research presented in this report was supported by the Acquisition Research Program of the Graduate School of Business & Public Policy at the Naval Postgraduate School.

To request defense acquisition research, to become a research sponsor, or to print additional copies of reports, please contact any of the staff listed on the Acquisition Research Program website (www.acquisitionresearch.net).



ACQUISITION RESEARCH PROGRAM
GRADUATE SCHOOL OF BUSINESS & PUBLIC POLICY
NAVAL POSTGRADUATE SCHOOL

Evaluating Intellectual Property and Data Rights in Competition Source Selections—Leveraging the “Assertions Process” to a New Level to Foster Open Systems Architecture

Eugene J. Pickarz, Jr.—is a warranted contracting officer and team chief in the Communications Directorate, NRO Infrastructure Support Planning Branch, Engineering Group, at the National Reconnaissance Office in Chantilly, VA. He is a contracting professional with over 30 years combined experience with industry and government. Pickarz is responsible for managing a contracts portfolio valued in excess of \$1.5 billion that provides IT infrastructure, hardware, software, and network support for intelligence community stakeholders worldwide.

Abstract

Competition is repeatedly cited in the acquisition world as a powerful tool, if not *the* most powerful tool, to ensure taxpayers get the most value for their tax dollars. A viable competition package (Request for Proposal [RFP], Statement of Work [SOW], Performance Work Statement [PWS], etc.) is not possible without having adequate technical data, computer software, and computer software documentation to provide to potential competitors to enable them to develop or evolve a system or support the solution needed. This paper first presents the acquisition professional with the knowledge to more effectively evaluate intellectual property in source selections to ensure the Government gets the intellectual property rights it needs to procure, support, and sustain systems the warfighter and others need; second, provides a structure and process to get these “rights” identified on contract while providing transparency for them throughout the period of performance; and, finally, presents a different way to look at the “necessary” rights when viewed from an open system architecture perspective.

Introduction

Better Buying Power (BBP) 2.0 challenged the Department of Defense (DoD) to “do more without more.” One focus area was to “promote effective competition” (Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics [USD(AT&L)], 2013, p. 17). Competition is repeatedly cited in the acquisition world as a powerful tool, if not *the* most powerful tool, to ensure the taxpayer gets the most value for their tax dollars. It is very difficult, if not impossible, however, to develop a viable competition package (Request for Proposal [RFP], Statement of Work [SOW], Performance Work Statement [PWS], etc.) without having adequate technical data, computer software, and computer software documentation to provide to potential competitors to enable them to develop or evolve the system or support the solution needed. To this end, delivering the appropriate volume and content of technical data and computer software that are necessary to compete, support, and sustain weapon systems and their support infrastructures is critical.

Promoting effective competition was also framed in the context of using Open Systems Architecture (OSA) approaches and managing technical data rights to foster those



architectures (OUSD[AT&L], 2013, p. 18).¹ Put quite simply, you can't develop and maintain open architectures without access to the technical data and software they rely upon or at least utilize to some extent. BBP 3.0 does not abandon the progress of the two previous BBP releases. Rather, it

continues the focus on continuous improvement with a new emphasis on initiatives that encourage innovation and promote technical excellence with the overarching goal of ensuring that the United States' military has the dominant capabilities to meet future national security requirements.
(OUSD[AT&L], 2014, p. 2)

OSA continues to be a BBP focus to stimulate technology insertion to keep pace with technology innovations and enable the design agility needed to keep ahead of our adversaries. We simply cannot effectively "refresh" our designs without the tools to foster these refresh cycles. The modularity of OSA not only stimulates innovation, but fosters competition as well from new entrants to the market from which to leverage not only commercial technology but new designs as well.

This paper is not a "how-to guide" to implement OSA from a technical perspective. It does, however, provide an approach to aid acquisition professionals in structuring RFPs, evaluating them, and making best value award decisions in competitive acquisitions. In other words, how to get OSA on contract more effectively. What is unique in this approach is that it fosters significantly improved management and insight of technical data rights and computer software toward an end goal of implementing an open systems approach both for the instant contract and those that follow. This approach results in the program managers and their acquisition teams knowing exactly what intellectual property (IP), which includes not only non-commercial data rights but also commercial software, commercial technical data, and patented inventions, are incorporated into a contractor's technical solution and how any restrictions impact the final deliverables from a future support, sustainment, and competition perspective.

Background

The two primary parts within acquisition regulations discussed herein are the Federal Acquisition Regulation (FAR) Part 15 (Contracting by Negotiation), specifically, Subpart 15.1 Source Selection Processes and Techniques; and DoD FAR Supplement (DFARS) Part 227 (Patents, Data, and Copyrights), specifically, Subpart 227.71 (Rights in Technical Data) and Subpart 227.72 (Rights in Computer Software and Computer Software Documentation). It is where these two parts of the acquisition regulations intersect that we need to leverage to ensure the Government communicates what it needs with respect to intellectual property (IP). Getting the IP the Government needs is not an "option," as the DoDI 5000.2 clearly levies this responsibility to program managers where it states,

Program management must establish and maintain an IP Strategy to identify and manage the full spectrum of IP and related issues (e.g., technical data and computer software deliverables, patented technologies, and appropriate

¹ The essence of Open Systems Architecture (OSA) is organized decomposition, using carefully defined execution boundaries, layered onto a framework of software and hardware shared services and a vibrant business model that facilitates competition. For a full description, see (DoD, 2013, p. iii).



license rights) from the inception of a program and throughout the life cycle. (OUSD[AT&L], 2015, p. 76)

This “IP Strategy” can only be effectively executed when the Government knows where IP is embedded within its components, items, and processes. Program managers and their acquisition team need to be in front of the IP challenge at the beginning of acquisitions during the RFP phase. If an IP Strategy and its related issues related to missing data, computer software, and the necessary rights and licenses to use them is implemented well into a program’s schedule, it is too late to capture the savings possible through competition. Before you build an RFP, you have to first have a Source Selection Plan (SSP) that you must follow toward contract award. A brief discussion of where in the source selection process IP can be better communicated and evaluated is useful to provide context of the recommended solutions presented herein.

The Source Selection Process and IP Focus Areas

A top-level source selection process is shown in Figure 1. This figure does not attempt to capture every potential step and process (for example, conducting clarifications or awarding without discussions). It serves only to highlight where this paper identifies the impacts evaluating IP has on the overall competitive proposal/source selection process. The light shaded boxes reflect the key areas this paper will elaborate on. The SSP, the importance of evaluating and scoring/rating IP, communicating what the Government wants through the RFP, evaluating proposals, and selecting the best value offer using IP as a decision element are important to grasp the real utility of leveraging IP in competitive source selections.

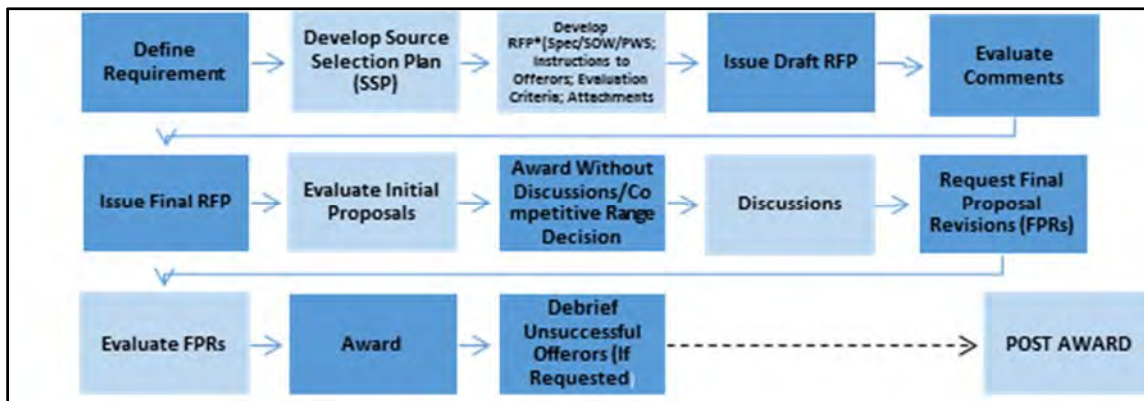


Figure 1. Source Selection Process

Establishing a Sound IP Strategy in Source Selections and Communicating It Clearly to Industry Is Critical

An SSP is required for all best-value, negotiated, competitive acquisitions under FAR Part 15 (OUSD[AT&L], 2011). It is within the SSP where IP can be identified as part of the evaluation criteria as either a factor or sub-factor. The more importantly IP is weighted within the total set of criteria will directly determine how much attention offerors pay to it with respect to winning the competition. The RFP must be developed to align exactly with the SSP with respect to process and the criteria to evaluate the offerors’ proposals. The RFP must also clearly communicate (through Section L, Instructions to Offerors) how to structure and present their proposal with respect to the criteria by which it will be evaluated.

Evaluation Criteria—Structure With Caution

The government has wide latitude with which to establish its requirements and needs and exercise judgment when evaluating offerors' proposals. The General Accountability Office, in adjudicating hundreds of protests, has consistently opined that in reviewing a protest against an agency's evaluation of proposals, it will not substitute its (or the protester's) judgment for that of the agency; rather, it will examine the record to determine whether the agency's judgments were reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations.² The evaluation of proposals is therefore a matter within an agency's broad discretion, since the agency (*not Industry*) [emphasis added] is responsible for defining its needs and the best method for accommodating them.³ What this means with respect to establishing IP as an evaluation criteria is that it is completely acceptable to do so. Just because an offeror is unhappy with how the IP (delivered with its solution to the Government's requirements) was scored, does not, in and of itself, establish that the Government acted unreasonably. The Government is simply determining that the solution (with the related IP) did not represent the best value to the Government. All that being said, there are still some fundamental pitfalls that can derail an otherwise sound IP strategy.

There are some limitations with respect to IP that must be recognized and respected. The Government cannot "force" a relinquishment of rights to data (and computer software) that was independently developed at private expense. This restriction is well founded in the U.S. Code and the DFARS.⁴ That doesn't, however, preclude the Government from identifying its minimum needs for IP and evaluating the impacts restrictive IP elements (data and computer software) have on the best value determination. There are two basic ways to evaluate IP in the competitive proposal process, scoring IP as a criteria (factor or subfactor) or as an overall IP "Risk Assessment."

Aligning Evaluation Criteria With Ratings and/or Risk Assessments

When establishing evaluation criteria with their respective factors and subfactors, the Government must communicate not only how ratings/scores will be assigned, but also when the various standards have been met. There is great latitude with how to establish scoring methodologies, from numerical, algebraic, narrative, to adjectival. Since IP is very complex to identify and evaluate, adjectival and narrative have the most merit. An example of a previously used adjectival rating scale can be found in Table 1.

² See GAO Protest Decision, B-406505; B-406405.2, dated May 21, 2012.

³ See GAO Protest Decision, B-406505; B-406405.2, dated May 21, 2012.

⁴ See 10 U.S.C 2320(F) and DFARS 227.7103-1(c), 227.7203-1(c).



Table 1. Technical-Management Rating Scale*

Color	Definitions
Blue	Exceptional. Offeror's proposal demonstrates an exceptional understanding of the requirements, and the approach is of superior quality. Two or more significant strengths exist. There are no major or significant weaknesses, and no deficiencies exist.
Teal	Good. Offeror's proposal demonstrates a good understanding of the requirements, and the approach is of good quality. Strengths clearly outbalance any weaknesses that exist. There are no significant weaknesses, and no deficiencies exist.
Green	Satisfactory. Offeror's proposal demonstrates an acceptable understanding of the requirements, and the approach is of satisfactory quality. There may be strengths or weaknesses and the strengths balance the weaknesses. No deficiencies exist.
Yellow	Marginal. Offeror's proposal demonstrates a marginal understanding of the requirements, and the approach is of poor quality. There may be significant weaknesses or deficiencies. Weaknesses outbalance strengths.
Red	Unsatisfactory. Offeror's proposal does not demonstrate an understanding of the requirements, and the approach is of unacceptable quality. There are significant weaknesses or deficiencies. Weaknesses negate strengths.
* In this particular example, both Technical and Management factors were scored with the same adjectival rating scale.	

One of the subfactors under the Technical-Management Factor was Innovation Approach (the highest of three total subfactors). Under this subfactor, the Government evaluated the offerors' ability to identify and apply innovative methods of producing domain understanding and domain knowledge from multi-source, multi-dimensional data. The Government also evaluated the offerors' ability to identify and apply innovative methods of automation human-computer interaction, data uncertainty management, and data pedigree maintenance. Lastly, the Government evaluated the offerors' ability to minimize technology transition costs. While it's not important for the reader to understand the technical nuances of this technical factor, it is important to focus on the last sentence of the factor from an IP perspective. This is because unless the Government has the appropriate rights and licenses to the IP necessary to execute the offeror's technical solution, transitioning the technology developed and deployed across the Government's organization will be cost prohibitive and potentially lead to a long term sole source acquisition situation.

To ensure that IP independently developed at private expense (as discussed earlier) is not a "condition of offer" or that the solicitation "forces" a relinquishment of the same, the "standards" by which the subfactors will be evaluated against must clearly convey this. To this end, the standards associated with the above Innovative Approach subfactor stated that the standard would be met when the Offeror

described the extent to which the rights in Technical Data (TD), Computer Software (CS), and Computer Software Documentation (CSD), and inventions/patents offered to the Government ensured unimpeded, innovative, and cost effective production, operation, maintenance, and



upgrade of the **[System Name]** processing prototypes throughout its lifecycle; allow for open and competitive procurement of [System Name] enhancements; and permit the transfer of **[System Name]** TD, CSD, and CS to other systems or platforms.

Note the power of this one standard. In it, nine best value tradeoffs can be identified that are directly attributable to IP rights and licenses (unimpeded, innovative, cost effective, production, operations, maintenance, upgrade, future competitions, transfer to other systems or platforms).

The standard went on to ensure that

proposals will not be rated less than SATISFACTORY on this standard solely because an offeror does not offer a price for all items delivered with Government Purpose Rights. However, rating on this factor for proposals to deliver TD, CSD, and CS with less than the minimum rights specified for the Government by applicable statute (10 U.S.C. 2320) and regulation DFARS 252.227-7013, 252.227-7014, and 252.227-7015 may be negatively impacted. For non-commercial acquisitions, these rights include Unlimited Rights in TD, CS, and CSD as specified in DFARS 252.227-7013 & 252.227-7014, Limited Rights in TD as specified in DFARS 252.227-7013, and Restricted Rights in CS as specified in DFARS 252.227-7014. The minimum rights considered for TD associated with commercial item acquisitions are specified in DFARS 252.227-7015. For commercial CS acquisitions, evaluation of the offered license rights will assess the licenses customarily provided to the public with respect to their consistency with Federal procurement law and satisfaction of Government user needs as set forth in the solicitation.

The key to having enough insight into the offeror's proposal regarding the IP strategy reflected in the subfactor and its related standard is to "map" the IP within the proposal. This will be discussed later on. An alternative to "scoring" IP is to evaluate IP from an overall "Risk" perspective. To this end, an IP Risk Evaluation example is presented next.

To simplify the evaluation of IP in a source selection, some acquisition teams have chosen to assess overall IP "Risk" as reflected in an offeror's proposed technical solution. As example of this was where the Government evaluated Intellectual Property Risk as

the extent to which the Intellectual Property in technical data, computer software and computer software documentation and inventions/patents offered to the Government will:

- Ensure unimpeded, innovative and cost effective production, operation, maintenance, and upgrade of the capability/service throughout the
- **[System Name]** life cycle
- Allow for open and competitive procurement of enhancements; and will permit the transfer of technical data of non-proprietary object and code and source code to other contractors for use on other systems or platforms. (DoD, 2013)

This example used a Risk Rating table as shown in Table 2.



Table 2. Intellectual Property Risk

Risk Rating	Definition
High	High probability for schedule disruption, cost growth, and/or performance impact. Extensive use of highly restrictive commercial or proprietary technical data, computer software, and computer software documentation, offered to the Government will definitely result in impeded, unimaginative, and cost prohibited production, operation, maintenance, and upgrade of the capability/service throughout the [System Name] life cycle, will impede open and competitive procurement of enhancements, and inhibit the transfer of the non-proprietary object code and source code to other contractors for use on other systems or platforms. Mitigation actions for commercial technical data computer software, and computer software documentation terms and conditions that are contrary to Federal law or are inconsistent with all requirements of this RFP are not identified. Risk may be unacceptable even with special contractor emphasis and close Government monitoring. Program success is jeopardized.
Moderate	Moderate probability for schedule disruption, cost growth, and/or performance impact. Less than Government Purpose Rights in technical data, computer software, and computer software documentation, offered to the Government may impede, innovative, and cost effective production, operation, maintenance, and upgrade of the capability/service throughout the [Program Name] life cycle, may impede open and competitive procurement of enhancements, and may impede the transfer of the non-proprietary object code and source code to other contractors for use on other systems or platforms. Commercial technical data computer software, and computer software documentation terms and conditions may be contrary to Federal law, cannot be amended, and may lead to schedule disruption, cost growth, and/or performance impact. Mitigation actions for these commercial technical data, computer software and computer software documentation terms and conditions that are contrary to Federal Law or are inconsistent with all requirements of this RFP have not been adequately identified. Special contractor emphasis and close Government monitoring will probably overcome difficulties without significantly impacting program success.
Low	Low probability for schedule disruption, cost growth, and/or performance impact. Government Purpose Rights or Unlimited Rights in technical data, computer software, and computer software documentation, offered to the Government will definitely ensure unimpeded, innovative, and cost effective production, operation, maintenance, and upgrade of the capability/service throughout the [Program Name] life cycle, allow for open and competitive procurement of enhancements, and permit the transfer of the non-proprietary object code and source code to other contractors for use on other systems or platforms. Normal contractor effort and routine Government monitoring should overcome any difficulties. Mitigation actions have been adequately identified for commercial terms and conditions that are contrary to Federal law or are inconsistent with all requirements of this RFP. Program success is likely.

The “risk evaluation” approach implemented by Table 2 provides for assessing the impact of IP on the overall proposed solution across all the technical areas, vice a specific factor or subfactor as presented earlier. This gives the evaluation team even more flexibility and is actually easier to document in the IP evaluation. While both approaches, the “factor” approach and the “risk” approach, have great merit, they both require adequate clarity with respect to the identification of the IP throughout the offeror’s proposal. This is facilitated by the standard “assertions process” required in DFARS 252.227-7017 and standard Section K, Representations and Certifications, Provisions, but the methodology presented herein takes these longstanding processes to a much higher level.

Evaluating Initial Proposals

Figuring out where IP is buried within a contractor’s proposal, or more importantly, within the proposed solution, is not easy. This is because the primary enabling clauses rely upon Section K, which normally brings in the Assertions Clause, 252.227-7017 (the -7017 clause), the Prior Delivery Clause, 252.227-7028 (the -7028 clause), and the required FAR assertions pursuant to the necessary Patent clauses in the contract when applicable



(52.227-6, 52.227-7, 52.227-9, 52.227-10).⁵ Unfortunately, even though the assertions become a part of the resulting contract, many elements of Section K are long forgotten after contract award. The net result is that IP is many times a proposal element that is overlooked, and it may come back to haunt the Government when the “impact” of the assertions become apparent upon delivery or earlier during contract performance. What is needed is a better methodology and form with which to identify and evaluate IP during the proposal evaluation process. One proven method is to leverage the assertions process.

Leveraging the “Assertions Process” to Expand Clarity and Purpose

The Assertions Process

IP can be some of a company’s most valuable assets, the relinquishment of which can significantly impact not only their profitability, but their long-term survival as well. As a result, it is in their best interests to protect them to the maximum extent possible. While only one small component of data rights management, the “assertion step” is important to understand both pre and post award as there are different standards and responsibilities tied to each. Unfortunately, the assertions required by the -7017 clause leaves a lot of uncertainty with respect to just “where” the restricted elements reside in the technical solution or services provided. The “Intellectual Property Attachment” methodology provided herein represents a best practice that “maps” the contract line items (CLINS), the Contract Data Requirements List (CDRL) items, the minimum data rights the Government has determined necessary for each deliverable, the Statement Of Work (SOW)/Performance Work Statement (PWS), the Data Rights that will be delivered; and other IP (patented inventions), all in one contract attachment with seven tables that live throughout the life of the contract. This approach facilitates efficient and thorough evaluation of IP both for initial proposals and final proposal revisions. It also establishes an additional vantage point from which to eliminate weak proposals from the competitive range and to establish another element of the “responsiveness” determination of proposals.

Rather than attempt to explain all the nuances and entitlements of the various categories of data rights, commercial technical data and software terms and conditions and patents/inventions, which are beyond the scope of this paper, the important takeaway is that the acquisition professional must clearly understand the nature and content of the technical data and computer software (both commercial and non-commercial) they identify as required to meet their minimum needs to execute their particular contract/program.

What may not be so obvious to the acquisition professional is that assertions are a critical precursor to being able to mark any deliverable containing technical data or computer software with any restrictive marking, post award. In other words, if a deliverable contains such non-commercial intellectual property, identifying the items, the basis for the restrictive marking and what restrictive category is applicable is required before delivering with a restrictive marking affixed to the specific data items. The DFARS requires these assertions be furnished to the Government and identified in “an attachment” to the contract prior to the delivery of any data with restrictive data (DFARS 227.227-7013(e)(2)). The DFARS goes on

⁵ Managing inventions and the patents that register them is not a primary focus of this paper due to the complexities of this topic and page limitations. The identification of them is however important and is presented later.



to cite the -7017 clause as the provision to facilitate this identification process, or for our purpose here the assertions necessary as a precursor to affixing restrictive markings on deliverables (DFARS 227-7103-3(b)). This Assertions List then becomes attached to the contract (DFARS 227-7103-10(a)(3)).

In like fashion, the DFARS requires the identification of computer software and computer software documentation to be furnished with restrictions prior to delivery (DFARS 252.227-7014(e)(2)). As with Technical Data, the -7017 clause is used again to facilitate the same due diligence actions by the contractor discussed earlier. It bears repeating again that unless a restriction is asserted, no restrictive markings may be affixed to the final software. (This is normally done via “code headers” within the software itself and the marking of the physical documentation of the software.) Both Government and contractor alike should take extreme care during the software acceptance process to ensure that non-commercial computer software is scanned to identify any internal restrictive markings as they can coexist with a transmittal letter that alludes to something else. Once incongruent markings are identified, the corrective actions may be invoked as set forth in both the -7013 clause and the -7014 clause.

Before we get to the details of the Assertion List itself developed pursuant to the -7017 clause, the causal link between assertion and delivery is useful to revisit. If you read both the -7013 and -7014 clauses carefully you will note that the activity of delivery is woven throughout. Thus the action of delivery is required to empower the Government to assert its data rights on the non-commercial Technical Data or Computer Software in question. As explained previously, any restrictions must be “asserted” prior to any such delivery. But before any such assertions may be made, the specific technical data or computer software must be “identified” as required for delivery. This is an important sequence of events that must take place to effectively manage data and the protection thereof. In other words, no assertion, no restrictive marking authorized if you are the contractor. But if you are the Government, beware, because without a requirement for “delivery” the contractor is not bound to identify or assert any restrictions. Only if delivery is later called for (via deferred ordering) or identified as a post award assertion (which has more strict limitations than pre-award assertions) will the identification and the restrictions be brought to light.⁶

Let’s now turn to one of the key elements of the discussion, namely, the Assertions List, or more importantly the -7017 clause elements that lead to the “List” or “Attachment” itself. This is the traditional methodology (combined with attaching commercial software licenses to the contract and citing patent royalty information in Section K, as discussed earlier).

Since this is so critical to the discussion here, the elements of the clause are provided in Table 3.

⁶ See DFARS 252.227-7013(e)(3), 252.227-7014(e)(3), and 252.227-7018(e)(3).



Table 3. -7107 Clause Elements
(DFARS 252.227-7017(e)(3))⁷

The Offeror asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following technical data or computer software should be restricted:

Technical Data or Computer Software to be Furnished With Restrictions*	Basis for Assertion**	Asserted Rights Category***	Name of Person Asserting Restrictions****
(LIST)*****	(LIST)	(LIST)	(LIST)

*For technical data (other than computer software documentation) pertaining to items, components, or processes developed at private expense, identify both the deliverable technical data and each such item, component, or process. For computer software or computer software documentation, identify the software or documentation.

**Generally, development at private expense, either exclusively or partially, is the only basis for asserting restrictions. For technical data, other than computer software documentation, development refers to development of the item, component, or process to which the data pertain. The Government's rights in computer software documentation generally may not be restricted. For computer software, development refers to the software. Indicate whether development was accomplished exclusively or partially at private expense. If development was not accomplished at private expense, or for computer software documentation, enter the specific basis for asserting restrictions.

***Enter asserted rights category (e.g., Government purpose license rights from a prior contract, rights in SBIR data generated under another contract, limited, restricted, or Government purpose rights under this or a prior contract, or specially negotiated licenses).

****Corporation, individual, or other person, as appropriate.

*****Enter "none" when all data or software will be submitted without restrictions.

Date _____

Printed Name and Title _____

Signature _____

Columns two through four are the easiest to deal with. Column four is very straightforward: who is the right person to sign off. Column three is fairly simple as well: it's either Restricted Rights (for software), Limited Rights (for technical data, (SBIR Rights), or Government Purpose Rights (where mixed funds are/were used). Column two, the basis column, is pretty straightforward as well, and it usually reads "Independently Developed at Private Expense" or "Jointly Developed with Contractor and Governments funds." If you look at the information sought in column one, however, it may be interpreted in some instances ambiguously. Just what is required to "identify the technical data, computer software or computer software documentation"? An ambiguous assertion example could be "All XYZ software utilized in the ABC assembly." This "notional" top level data description is extremely

⁷ Note that the -7013, -7014, and -7018 clauses all have an identical table with some of the instruction language that is to be used for post award assertions.



problematic for two main reasons. First, the Government has no clue “what” software is being restricted (assuming, of course, Column three would indicate “Restricted Rights”), and second, the Government really doesn’t know clearly “what” software it really should be protecting with that level of restriction, where within the system or architecture design the restricted software resides, nor what it is really getting for its money. True, it is easy to simply say “all,” but is it fair and accurate? Most would agree, it’s not. You can’t really determine what you “need” to field, support, and sustain a system without knowing what you “have” to begin with (Pickarz, September 2012). In this instance, you just don’t know and most importantly, you have no baseline at contract award from which to later determine what changes the Government has funded and may have unlimited rights to.⁸ A huge entitlement may be lost from simply not paying attention to the assertions contained in the Assertions List. The solution to this dilemma is actually quite simple. Namely, make the instructions unequivocally clear. A formal deviation to the clause is probably not a timely solution. A better solution is clearer instructions to the contractor in the solicitation in Section L (Instructions to Offerors) with a resultant attachment to the contract that documents the technical data and computer software and their respective rights to be given to the Government. It is much better to articulate just what you expect the contractor to deliver in their proposal rather than have them guess. For the example earlier, the software version(s), and/or dates should be given to clearly identify just what will be restricted upon delivery. Even better, if you make *clarity* of the assertions a condition of offer, contractors will always comply or possibly lose the award. Let me be clear, however, as the DFARS deals with this very situation where it states,

If an offeror fails to submit the attachment or fails to complete the attachment in accordance with the requirements of the solicitation provision, such failure shall constitute a minor informality. Provide offerors an opportunity to remedy a minor informality in accordance with the procedures at FAR 14.405 or 15.607. An offeror’s failure to correct the informality within the time prescribed by the contracting officer shall render the offer ineligible for award. (DFARS 227.7103-10(a)(1))

Note that while clarity would be considered a “minor informality,” failure to correct this *shall* render the offer ineligible for award. Another key point is that a minor informality could be resolved as a “minor error” pursuant to a “clarification” vice a “discussion” point, thereby preserving to ability to award without discussions should this be provided for in the solicitation (FAR 15.306(a)(2)). At the end of the day, additional emphasis in the instructions for completing the assertions goes a long way to enable the Government to later assert the rights it has paid for.

The Intellectual Property Attachment—Mapping Critical IP Artifacts

Non-commercial technical data and computer software assertions are really only part of the intellectual property portfolio as there are numerous commercial technical data and computer software artifacts, and in many cases previously developed inventions, that are relevant to Government contracts. The answer to the question, “What do I have?” is important not only at contract award but throughout contract performance as the

⁸ See DFARS 252.227-7013(b)(1), 252.227-7014(b)(1).



deliverables from one contract provide the building blocks for another contracts and their programs/projects. All this assertion information can be captured in one place both to evaluate the proposal and then continue throughout contract performance as a living document. This is accomplished by adding an “Intellectual Property Volume” to your solicitation and the resulting “Intellectual Property Attachment” to the awarded contract.

This original idea was first promulgated by Space and Missile Center (SMC) in Los Angeles and presented in the SMC Office of the Staff Judge Advocate Guide *Acquiring and Enforcing the Government’s Rights in Technical Data and Computer Software Under Department of Defense Contracts: A Practical Handbook for Acquisition Professionals* (Space and Missile Center [SMC] Office of the Staff Judge Advocate, March 2014). Now in its Sixth edition, this somewhat daunting document may seem to be a bit difficult to review at first, but searching for the “Data Rights Attachment” will get you to most of the components discussed herein. For the purposes of this paper, I will take SMC/JA’s approach and expand it to provide a comprehensive “Volume” to the proposal that lays out not only the Data Rights attributable to the effort but other areas of intellectual property as well. To do this, an Intellectual Property Volume is required from offerors. This volume would be structured as follows:

Volume “X”—Intellectual Property⁹

- Table 1—Data Rights Summary: Non-Commercial Technical Data and Computer Software & Computer Software Documentation
- Table 2—Commercial Technical Data and Computer Software & Computer Software Documentation
- Table 3—Assertions List: Non-Commercial Technical Data, Computer Software, and Computer Software Documentation
- Table 4—Specifically Negotiated Licenses (Special Licenses to Non-Commercial Technical Data and Computer Software)
- Table 5—Rights in Background Inventions
- Table 6—Third Party Patent Rights and Royalties

It helps to visualize the Intellectual Property Volume approach so the following notional tables with example deliverable technical data and computer software deliverables are provided. The various elements of the tables and their mapping functions will be discussed.

⁹ While this paper focuses on “data rights,” Tables 6 and 7 are provided and briefly discussed to add the listing of any relevant inventions (Patents) used in the contractor’s proposed solution. This incorporation then provides a comprehensive IP attachment to the contract.



Table 4. Data Rights Summary
Non-Commercial Technical Data and Computer Software and Computer Software Documentation

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6 ¹	Col. 7	Col. 8	Col. 9
CLIN	CDRL	CDRL Title	SOW/PWS Paragraphs	Government's Minimum Rights Needed	Offeror's Normally Asserted Data Rights	Offeror's Proposed Data Rights	Explanatory Notes ³	Price/ ⁴ Est, Cost
0002	A0001	Computer Software	3.1.5	Government Purpose Rights	Offeror To Complete	Offeror To Complete		N/A
0002	A0002	User Manuals	3.1.4	Unlimited Rights	N/A	Unlimited Rights ²		N/A
0002	A0003	Contract Funds Status Report	3.1.6	N/A	N/A	N/A		N/A
0002	A000n	Title	Para Nr. "n"					N/A

1. This column is normally used for competitive Requests for Proposals (RFPs). Here the offeror(s) indicate what their usual entitlements are for the respective data deliverable. For example, if the data was independently developed at private expense, Restricted Rights (Software) and Limited Rights (Technical Data) are usually appropriate. It is important to note that contractors cannot be forced to relinquish their rights related to independently developed data and this should be clearly stated in the RFP. They are, however, able to propose higher levels of data rights in order to be more competitive in the marketplace which is facilitated by Column 7 in the table above. In both instances, the offeror fills in these blocks of the table.
2. In this instance, the Government has filled in the table because it has determined that the User Manuals constitute Operation, Maintenance, Installation, and Training (OMIT) data and should be delivered with Unlimited Rights in accordance with 10 U.S.C. (a)(2)(C)(iii). In other words, the offerors don't get to restrict the data, nor do they get to propose their "usual rights." If there is a disagreement, the offeror will note it in Column 8, and perhaps the RFP can provide for Data Rights Options to price out additional entitlements the Government may purchase if the Government's identified minimum rights cannot be offered in the established line item prices.
3. Column 8 affords offerors the opportunity to explain why they will not provide the required data item with the indicated Government rights. It also affords the opportunity to propose a "Special License." Special licenses are cited in Table 8.
4. The Price/Estimated Cost column is only necessary when separately pricing data items. It is important to note that when separately priced data items are required, additional pricing instructions in Section L are necessary to guide offeror.

As you can see from the Data Rights Summary table, the data rights the Government will receive are clearly "mapped" to the contract's Contract Line Items (CLINs), Contract Data Requirements Lists (CDRLs), and the SOW/PWS. CLIN 0002 in this particular solicitation was for "Data," and a few notional items are presented. But there's some important nuances to take note of that reflect the true power of this approach. Note first that the Government has clearly identified what its minimum needs are for this acquisition in Column 5. Note also that the User Manuals constitute OMIT data, which entitles the Government to Unlimited Rights, so this cell in the table has been "pre-filled" to establish this entitlement. The Contract Funds Status Report (CFSR) is marked N/A. This is because the CFSR constitutes financial data that is incidental to contract administration and outside the definition of "Technical Data," which triggers the applicability of the various rights outlined in the clauses. Finally, Column 8 provides the ability for offerors to explain why the rights proposed do not meet the Government's minimum needs (again to preclude forcing the relinquishment of rights to independently developed technical data or computer software.) This table from the proposal will become an attachment to the contract and a "living" document (as will all the tables discussed here) to provide for adding post award assertions and afford the Government complete Intellectual Property situational awareness.

Table 5 provides the insight to any commercial technical data or computer software the contractor must deliver under the contract. This table contains nine columns.



Table 5. Commercial Technical Data, Computer Software, and Computer Software Documentation

Col. 1	Col. 2	Col. 3	Col. 4 ¹	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
CLIN	CDRL	SOW/PWS Paras	Data Item Title/ Subtitle	Technical Data/ Software Application Name	Vendor Name	License No.	Quantity of Licenses (If applicable)	Price/ Estimated Cost
0002	A0001	Para Nrs.						
0002	A0002	Para Nrs.						

1. The instructions for this column in Section L must clearly articulate the requirement for clarity and thoroughness in the item descriptions for the reasons mentioned earlier. It needs to be made clear to offerors that cryptic and incomplete descriptions may render their offer non-responsive to the solicitation. In addition, if firmware is to be delivered, the Data Item Title should include the CLIN Noun Description that the firmware will be embedded into.

In like fashion of the other tables, the first three columns provide for CLINs, CDRLS and SOW/PWS paragraphs that are mapped to the commercial technical data and commercial computer software that are to be delivered that is provided for in the proposal. Instructions in Section L will again guide offerors how to populate the table. The Government needs to ensure that identifying commercial software is not enough, and Open Source Software (OSS) and other openly shared software must also be identified since they are also commercial products in nature. This is because even though a software artifact may be “open,” it still has terms and conditions by which it must be shared. The commercial license terms can be problematic and the Government may have concerns regarding these commercial technical data and computer software licenses and these must be adjudicated. Some of these concerns relate to the following:

- Subsequent rights to updates, software maintenance patches, minor version changes and substitutions provided at no additional cost
- License transferability to the Government (for option exercise and CDRL/CLIN delivery)
- Disputes provisions
- Choice of law provisions
- Payment of attorney’s fees
- Automatic renewal provisions that violate the Anti-Deficiency Act
- Provisions that prohibit disclosure of license terms/conditions
- Open Source Software terms that mandate sharing and posting of changes when doing so may jeopardize national security

Of course the Government has no idea if any of these unwanted terms are embodied within the commercial licenses unless the offeror is instructed to actually *provide* all licenses as an addendum to the table in the IP Volume. Once provided, the Government can perform its due diligence. There have been instances where offerors have claimed that license terms cannot be provided until the licenses are executed after award and failed to provide copies of the standard licenses normally required from commercial vendors. This argument is not completely true. While it is true that the final license will reflect the actual terms and conditions agreed to, virtually every commercial software product (or standard technical data documentation) has a standard license that is at least the starting point for negotiating the final terms. These “standard” licenses must be provided to enable a thorough proposal review and to develop clarification questions, information requests, and assign strengths, weaknesses, or deficiencies. In the event terms that are not acceptable to the Government



are unable to be removed, then it is a good practice to establish an overall Intellectual Property “Risk” rating to capture the additional risk to the Government from the restrictive terms as was discussed earlier.

The Assertions List, generated in response to the -7017 clause, is provided for in Table 6 of the IP Volume and again maps the restrictions and data rights proposed to the Government’s requirements laid out in the CLINs, CDRLs, and SOW/PWS. The additional benefit this approach establishes is that the clarity needed to effectively manage the Technical Data and Computer Software is mandated as a consideration of responsiveness to the solicitation. It is important to understand the difference between Table 4, which identifies the overall data rights assigned to the various data items, to Table 6, The Assertions List. Table 4 assigns the data rights, but Table 6 identifies the specific restrictive items (if any) that are tied to the restrictions. In other words just “what” makes the deliverable Limited Rights technical data. These assertions are also required for those instances where the Government identifies Government Purpose Rights (GPR) as its minimum and the contractor proposes GPR. This is because there are still elements or activities of GPR that provide for additional due diligence on the part of the Government when sharing with third parties (additional Non-Disclosure Agreements, for example). The Assertions List would thus look similar to that shown in Table 6.

Table 6. Assertions List—Non-Commercial Technical Data, Computer Software, and Computer Software Documentation

Col. 1	Col. 2	Col. 3	Col. 4 ¹	Col. 5	Col. 6	Col. 7
CLIN	CDRL	SOW/PWS Paras	Technical Data or Computer Software to be Furnished with Restrictions	Basis for Assertion	Asserted Rights Category	Name of Person Asserting Restrictions
0002	A0001	Para Nrs.				
0002	A0002	Para Nrs.				

1. The instructions for this column in Section L must clearly articulate the requirement for clarity and thoroughness in the item descriptions for the reasons mentioned earlier. It needs to be made clear to offerors that cryptic and incomplete descriptions may render their offer non-responsive to the solicitation.

The “prior delivery list,” generated in response to the -7028 clause, is provided for in Table 7 and maps the technical data and computer software that was delivered to the Government prior to the current effort (or is scheduled to be delivered on another ongoing contract). Readers should keep in mind, however, that unless there were deliveries earlier in time (or planned for the future) that would be subject to reporting in the table, the offeror will simply report “none.” Again, delivery is paramount for the successful functioning of various clauses and the rights they impose. In addition to the standard information required, the relevant CDRLs are identified, as well as all contract information from which the items were/are to be delivered that are identical or substantially similar to documents or other media that the offeror has produced for, delivered to, or is obligated to deliver to the Government under any contract or subcontract (DFARS 252.227-7028).



Table 7. Prior Delivery List for Technical Data or Computer Software

Col. 1	Col. 2	Col. 3*	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
CLIN	CDRL	TD/CS Previously Delivered	Contract Nr. Under Which Data Was Produced	Contract Nr. Under Which Data Was Most Recently Delivered or Will Be Delivered	Organization Name & Address to Which the Data Was or Will Be Delivered	Delivery Date	Limitations on Govt's Right to Use or Disclosure Data	Date Limitation(s) Expire
0002	A0001							
0002	A0002							

* The instructions for this column in Section L must clearly articulate the requirement for clarity and thoroughness in the item descriptions for the reasons mentioned earlier. It needs to be made clear to offerors that cryptic and incomplete descriptions may render their offer nonresponsive to the solicitation. In addition, if firmware is to be delivered, the data item title should include the CLIN noun description that the firmware will be embedded into.

Table 8 constitutes the identification of any Special Licenses relevant to a specific CDRL data item. It is important that the scope or terms and conditions of any special license be clearly articulated in the proposal and a copy of the actual license to be executed be provided as an Addendum to Table 8 for subsequent review, evaluation by the Government, and incorporation into the contract as an attachment. A notional format for Table 8 can be found below.

Table 8. Specifically Negotiated Licenses (Special Licenses)—Non-Commercial Technical Data and Computer Software)

Col. 1	Col. 2	Col. 3	Col. 4
CLIN	CDRL	SOW/PWS Paras	Special License Title/Number /Version ¹
0002	A0001	Para Nrs.	
0002	A0002	Para Nrs.	

1. The instructions for this column in Section L must clearly communicate that the scope of the license must be articulated and provided with the proposal. This includes identifying who the CDRL may be released or disclosed to, the purposes of the license, and the period of time it shall be in effect. The instructions must also require attaching the Special License as an addendum to Table 8 in the IP Volume.

Table 9 provides the insight to any inventions the contractor plans to incorporate into any component, item, or process. A “background invention” is any invention, other than a subject invention, that is covered by any patent or pending patent application in which the offeror (including its sub-offerors or suppliers, or potential sub-offerors or suppliers at any tier) (1) has any right, title, or interest; and (2) proposes to incorporate into any items, components, or processes to be developed or delivered, or that will be described or disclosed in an technical data, computer software, or computer software documentation to be developed or delivered under the resulting contract (DoD, May 2013). This table contains six columns.



Table 9. Rights in Background Inventions¹

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
CLIN	CDRL	SOW/PWS Paras	Patent Title/Serial Nr.	Patent Date	Patent Holder Name(s)
0002	A0001	Para Nrs.			
0002	A0002	Para Nrs.			

1. The Patent rights clauses of the solicitation provide additional guidance regarding the identification and management of inventions used on the contract. The purpose of this table is to capture the inventions/patents to be incorporated in one place as an attachment to the contract to preclude losing their identity as part of the technical baseline after the initial award is completed.¹⁰

Table 10 provides the insight to any third-party patent rights for which the contractor plans to pay royalties. This table provides information concerning these third-party patents and the amount of the royalties it will pay in order to perform under the contract. This table contains seven columns.

Table 10. Third Party Patent Rights and Royalties¹

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
CLIN	CDRL	SOW/PWS Paras	Patent Title/Serial Nr.	Patent Date	Patent Holder Name(s)	Royalties to be Paid
0002	A0001	Para Nrs.				
0002	A0002	Para Nrs.				

1. See FAR Clause 52.227-6 for specific guidance on Royalties. This language (and table) only becomes relevant if a third-party patent is included in the technical solution proposed (or incorporated post award). The purpose of this table is to capture the patent royalty to be paid in one place in an attachment to the contract to preclude losing their identity as part of the technical baseline after the initial award is completed.

Communicating the Government's Expectations Is Vital to Success

The acquisition team crafting the RFP needs to pay close attention when drafting the instructions in Section L related to the Intellectual Property Volume. Explaining what is needed within the various tables ensures all offerors have a common understanding. Trying to avoid specifying the "table format" and just provide Section L language tends to give inconsistent results and lead to more clarifications and/or discussions. Some offerors will interpret the instructions differently, and the result is data rights information spread across the proposal and is a virtual "scavenger hunt" to figure out just what IP impacts there are in

¹⁰ The identification of inventions to be used in a contractors technical solution described in their proposal is normally required in Section K of the solicitations. This completed section is, however, buried in the contract file documentation at contract award and can be difficult to locate in a voluminous contract file. The table methodology presented here keeps it at the forefront of the acquisition team to manage throughout the contract period of performance.



offerors' proposals. The best approach is a Tabular One by IP topic and then incorporate the individual tables as "Tabs," with clear instructions to populate the tables. Finally, the Government must ensure that updates to the various IP tables in the IP Attachment are reviewed and approved prior to incorporating the technical changes reflected in the projected updates during post award performance. This is to ensure configuration management of the technical changes is carefully managed and maintained.

Open Systems Architecture (OSA)—Where Does It Fit?

Open Systems Architecture provides for designs that accommodate updated technology (data and computer software) by leveraging modular, loosely coupled and highly cohesive components within a system. A system should be designed in major "modules" where potentially proprietary data and/or computer software is "encapsulated" (i.e., segregated within the design). These modules must be "loosely coupled" whereby individual modules do not depend upon each other to enable the entire system to function.) Lastly, the modules must be highly cohesive so the module functionality works together via common standards. The system relies on open interfaces well known by all competitors to enhance future competitions as well as more effective sustainment and supportability. This approach enables even highly restrictive and even proprietary designs to be incorporated into the final system yet still enable technology insertion with new and innovative upgrades. It is only made possible, however, if the "critical" IP components are or have been delivered to the Government earlier in the system's life cycle. Knowing where the IP is embedded within the various designs fosters this approach as well by enabling strategic decisions where to focus on "opening up" the system for more competition and technology insertion. The IP Volume discussed earlier provides for the situational awareness necessary to bring it all together. For a thorough discussion on Open Systems Architecture and multiple examples and guides, readers should review the *OSA Guidebook for Program Managers* (DoD, May 2013).

Government Insistence on Additional Openness and IP Rights—Is It Viable?

It is important to discern whether or not the Government, in implementing the processes and strategies presented here can be sustained and implemented when challenged by Industry. There are numerous Government Accountability Office (GAO) bid protest decisions that have upheld the Government's decisions which supports the concepts presented herein. What is important to take away from these decisions are some key principles that when adhered to, result in new IP and OSA strategies that are executable and sustainable when challenged.

As stated earlier, if the Government establishes a plan to evaluate proposals (a source selection plan), follows the plan, consistently applies the criteria and their standards fairly to all offerors, then makes a best value decision based upon all evaluation areas (cost and non-cost), the GAO will not overturn the Government's decision. This has been a consistent result in multiple bid protest decisions. Can the Government use Open Architecture as a criteria in source selection? Can it require offerors to clearly identify what data rights the Government will obtain with an offeror's proposed design/solution? Finally, can the Government make a best value decision using Open Systems Architecture (OSA/OA) and the delivered data rights for the technical data and computer software artifacts? The answer to all is unequivocally, yes.



A recent bid protest concerning an Engagement Skills Training (EST) system will help illustrate.¹¹ In this instance, the Government provided for an Open Architecture subfactor to assess the ability of the offeror's design to "fully support, maintain, and modify the EST software and technical data throughout the program life cycle to include the legacy EST systems, weapons and scenarios."¹² The acquisition team evaluated the proposals using the scales and criteria called out in their RFP. During the evaluation the team identified several areas where the Government's license rights were cited inconsistently in different sections of an offeror's proposal. Because of this, the evaluation team was unsure just what rights the Government would receive. A lower "marginal" rating under the open architecture subfactor was then assigned. The ambiguity was created by the offeror in the errors it submitted related to a material aspect of the technical approach regarding open architecture.¹³ Specifically, the inability of the Government to share many IP artifacts of technical data and computer software. The unsuccessful offeror challenged other areas of the evaluation but these will not be recounted here for the sake of brevity. The lessons learned are important, however. First, if the Government communicates what it will evaluate, how it will evaluate, and what will be taken into consideration in the best value decision, the GAO will support the Government's decision. Second, it's not the Government's job to "rewrite" the offeror's proposals and identify each and every error and weakness identified. The FAR requires agencies conducting discussions with offerors to address, "at a minimum ... deficiencies, significant weaknesses and adverse past performance information to which the offeror has not yet had an opportunity to respond" (FAR 15.306(d)(3)). The Government does not have to "spoon feed" an offeror as to each and every item that could be revised to improve and offeror's proposal.¹⁴ Finally, data rights can be directly rated and scored in a competitive source selection to enable the Government to make a best value decision.

In another bid protest decision, the Government's requirement was for a commercial off-the-shelf, "web-based, automated e-Recruitment solution, including all software, software documentation, implementation support, and services to support the full life cycle of an enterprise-wide hiring/recruitment system."¹⁵ An unsuccessful offeror did not include an adequate explanation, as requested by the solicitation, of the proposal's compliance with the solicitation's minimum mandatory requirements concerning intellectual property/data rights.¹⁶ At issue were terms of the license whereby the agency's data once entered into the offeror's database became the property of the offeror. This was because a term of the license required all data be identified prior to contract start. Since the goal of the project was to manage employment and other HR data throughout the period of performance, this did not meet a material requirement of the RFP which was clearly called out in a mandatory "functional requirements matrix." The offeror's proposal was scored commensurately and they were eliminated from the competitive range. This protest illustrates a critical lesson relevant to our discussion here. Namely, establishing material requirements in an RFP is something that standard commercial licenses may be in conflict with. Recall the language in both the "Scoring" and "Risk" approaches to evaluating IP discussed earlier. In both,

¹¹ See GAO Bid Protest B-410006; B-410006.2, dated October 8, 2014.

¹² See GAO Bid Protest B-410006; B-410006.2, dated October 8, 2014.

¹³ See GAO Bid Protest B-410006; B-410006.2, dated October 8, 2014.

¹⁴ See GAO Bid Protest B-404671.2, B404671.4, dated April 8, 2011.

¹⁵ See GAO Bid Protest B-298380.4, dated June 11, 2007.

¹⁶ See GAO Bid Protest B-298380.4, dated June 11, 2007.



inconsistency with the “requirements of the RFP” and “satisfaction of Government user needs as set forth in the solicitation” were key discriminators. Thus, “hiding behind the commercial item veil” as it were, to claim that a standard commercial license may not be challenged regarding its terms and conditions is not sufficient to negate the basic needs of the Government for IP that effectively meet their needs. What is important is to provide an adequate license to meet the Government’s requirements called out in an RFP.

Offerors should provide their best initial proposal in response to the Government’s RFP or risk being eliminated from the competitive range. This is an important point to understand as was illustrated in a recent bid protest where an offeror failed to provide significant material data and information required by RFP In Section L.¹⁷ The GAO has opined previously that “an offeror has the responsibility to submit a well-written proposal, with adequately detailed information that clearly demonstrates compliance with the solicitation requirements and allows a meaningful review by the procuring agency.”¹⁸ The offeror in this instance admitted it failed to provide information requested by the RFP and as a result their proposal failed to demonstrate that it met the solicitation requirements and they were eliminated from the competitive range. The lesson relevant to the discussion here, specifically to the IP Summary Attachment/Volume described earlier, is that unless an offeror pays close attention to the detailed instructions for this volume they run the risk of being eliminated from the competitive range. This is especially true when IP and the associated license rights and license terms and conditions are necessary to make a best value decision that has decision criteria based on IP and/or Open Architecture.

Conclusion

The goal of this paper was three-fold: first, to present the acquisition professional with some tools to ensure the Government gets the intellectual property rights it needs to procure, support, and sustain the systems the warfighter, and others, need; second, to provide a structure and process to get these rights identified on contract while providing transparency into them throughout the period of performance and not finding out “upon delivery” what rights are really being delivered; and finally, to present a different way to look at the “necessary” rights when viewed from an open architecture perspective. This is facilitated by strategically seeking the “necessary” IP rights (based upon the Government’s minimum needs) that focus on interfaces and other artifacts to implement an OSA approach. When this approach is implemented at the onset of a contract/program, restricted and limited rights become mitigated inhibitors to technology insertion and instead become catalysts to enable more affordable support, sustainment, and cost effective systems and solutions for the Government.

References

- DoD. (2013, May). *OSA guidebook for program managers, Ver. 1.1*. Retrieved from <https://acc.dau.mil/OSAGuidebook>
- DoD. (2013, June.) *DoD open systems architecture contract guidebook for program managers*. Washington, DC: Author.

¹⁷ See GAO Bid Protest B-410431.3, dated December 15, 2014.

¹⁸ See GAO Bid Protest B-410431.3, dated December 15, 2014.



- Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]). (2011, March 4). *Attachment—Source selection procedures* [Director, Defense Procurement and Acquisition Policy memorandum]. Washington, DC: Author.
- Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]). (2013, April 24). *Implementation directive for Better Buying Power 2.0—Achieving greater efficiency and productivity in defense spending* [Memorandum]. Washington, DC: Author.
- Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]). (2014, September 19). *Better Buying Power 3.0* [White paper]. Washington, DC: Author.
- Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]). (2015, January 7). *Operation of the defense acquisition system* (DoD Instruction 5000.02). Washington, DC: Author.
- Pickarz, G. (2012, September). The four questions you must answer to solve any data rights issue. *Contract Management*.
- Space and Missile Center (SMC) Office of the Staff Judge Advocate. (2014, March). *Acquiring and enforcing the government's rights in technical data and computer software under Department of Defense contracts: A practical handbook for acquisition professionals*. Retrieved from <https://acc.dau.mil/CommunityBrowser.aspx?id=431675&lang=en-US>





ACQUISITION RESEARCH PROGRAM
GRADUATE SCHOOL OF BUSINESS & PUBLIC POLICY
NAVAL POSTGRADUATE SCHOOL
555 DYER ROAD, INGERSOLL HALL
MONTEREY, CA 93943

www.acquisitionresearch.net